

COVER NOTE

PLEASE ACCEPT THIS SUBMISSION IN GOOD FAITH

Graeme Noel Hall

72 Years – Retired

Growing fruit and vegetables for 37 years

Our small holding is an 80 acre property in North Queensland.

I was a member of a small Fruit Grower Group associated with Queensland Fruit and Vegetable Organisation now known as GROWCOM.

I am not a current member of any growing group.

This Proposal is purely a personal submission.

G.N. & C.K. Hall

[REDACTED]

[REDACTED]

Phone [REDACTED]

I do not wish to have my address and phone contact publicly expressed.



G.N. Hall

AGRICULTURAL COMPETITIVE TASKFORCE

DEPARTMENT OF THE PRIME MINISTER AND CABINET

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SUBMISSION TO THE WHITE PAPER PRE-AMBLE

I wish to submit for consideration by this government, a matter which I perceive to be of grave concern, and that is, the inadequate sense of transparency in the Central Market Place, in the past 4 decades. I have dealt with both Brisbane and Sydney Central Markets.

The "Code" as it is known, was meant to satisfy both Growers and Merchants, on various contentious issues, mainly price and returns, but also the insidious notion that standards and specifications can only be in the eye of the beholder:- a mechanism for downgrade or rejection, which in most if not all cases, is passed back to the Grower.

Pre "GST", the Central Markets, was mostly if not always, run on a commission based system, with Agent Wholesalers. So consequently, the Producer was still the owner of that Produce until it was sold. As a result, the Grower was in all cases, responsible for the freight and handling cost and most of the cost if produce was to be destroyed due to breakdown and/or other issues.

A Commission was regulated at approximately 11 to 12 percent, which was normal, until the GST was introduced. Overnight, most if not all agents, became "Merchants", as the commissions attracted a GST of 10%.

The downside of that transformation was that Growers still had to pay the freight, even though the Merchants were buying at "Farm Gate" or supposedly "Farm Gate", with no clear transparent itemised account of Farm Gate price, plus freight.

It became apparent that the Central Market based system was cleared of having a freight cost placed upon the Enterprise because the Grower paid it for them. I can only surmise that the Retailer had the produce delivered freight free, but I doubt it!

There is a saying in our Industry :- QUOTE: "We sell at wholesale, buy at retail, and pay the freight both ways". END QUOTE.

Over the past 4 decades that I have been involved, anecdotal evidence has been put forward. But, because no transparent documentation is available, Governments of all persuasions would not, or could not, accept this evidence.

On one occasion that I am aware of, the Central Market in Brisbane did publish actual figures in their Yearly Report on "Product Through-Put", "Tonnage" and "Wholesale Value". The actual figures at that time, some 8 or 9 years ago, were that 625 000 tons of Produce passed through at a dollar value of \$860 000 000. If my Maths are correct, that equates to \$1.37 per kilo, for the entire year. (It would be interesting to see what the "per kilo" retail value was for that year). Therefore, an occasional survey over a week for both Wholesale and Retail could be a way of creating some post Market Transparency.

The system that I propose, if it was to become Law, should truly reflect an average return of produce sent to the Central Market. I would suggest that most if not all Growers would accept this.

I would also suggest, that the Policy Idea Number 7 a,b,c, would be fully compliant with the goals set out and would also be on the same page as my proposal.

It is true that some growers both large and small, are quite satisfied with the Trust System that now exists. I would argue that the proposal that I am suggesting would not interfere with those relationships between two parties, including the major retailers.

Quantifying how many Growers are happy with the current "Trust" system, and the Growers who would like to see substantial change, would be hard to achieve, unless a survey was carried out to give an accurate percentage one way or another. But, in my personal contact with many Growers in Queensland and other States, I can assure you, the desire for substantial change is very evident.

The most disturbing result of trying over many years, to get some realistic change and to secure a rate of return for your work and your produce is, if you complain too loudly to force the issue, there is a possibility that you are put "On A Holiday". I wish to refer you to a "Four Corners" program aired some 6 years ago titled "The Price You Pay". It highlighted these disturbing facts. One must be aware that no one is compelled or obliged to purchase your Produce.

In conclusion, if the Government is serious about facilitating a sensible, simple, transparent marketing system throughout the domestic supply chain, and if the "Post Farm Gate" is reluctant to accept substantial change, action is definitely needed.

If the Government wants to keep young farmers growing food to feed our country with the cleanest, greenest food, then a change is needed. If we want to become a supplier for export in a sustainable way, to receive a fair price, not a residual price then a change is needed.

I will conclude with this:- IF THERE IS NOTHING TO HIDE, WHAT IS THE PROBLEM?

PROPOSAL FOR THE TRANSPARENT MARKETING SYSTEM

COMPUTER WEB PAGES

1 Merchant to Supplier Web Page

Merchants that operate in the Central Markets would on a weekly basis, present on a freely available website to Growers and the general public:-

- a) Produce that they wish to source
- b) Prices offered for this produce – (Farm Gate or Delivered)
- c) Specific quantities in relation to size, maturity and packaging
- d) Quality standards required for the produce

A constantly updated report on supply and demand should be available on this Web Page for Grower use so they can make informed decisions. For example, if there is an oversupply of certain produce at one market, Growers can choose to supply a different city.

2 Merchant to Retailer Web Page

This website should be freely available to Growers and the general public.

Merchants to provide:-

- a) Prices for all produce sold to Retailers.
- b) Availability of produce such as seasonal fruits and vegetables

These websites should also list services available to both Producers and Retailers that offer support to their Enterprises. Some Merchants will have specialised produce such as organic, heavy produce, tropical fruits etc. Put plainly, the websites would advertise their Enterprise.

3 This proposal will create genuine competition between all Merchants. It will also give direct supply agreements between major Merchants and Growers, a true reflection on the marketing system. This webpage would give Growers direct knowledge of the difference between the Central Markets in each State allowing them to make informed decisions on which State Market to supply. A decision not to send produce on a depressed market could save the Grower having to pay costs with no real financial gain.

4 Most if not all growers, deal with multiple Merchants, so this system will not interfere with the trust between two parties.

5 This Proposal is entirely consistent with other industries such as, "Compare the Market", on Health, Insurance, Travel, Accommodation, etc. , in essence "Competition".

Again I say, IF THERE IS NOTHING TO HIDE, WHAT IS THE PROBLEM?